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SOFT DRINKS □ BEER □ BOTTLED WATER □ WINE □ POWDERS □ JUICES □ SPIRITS

FEBRUARY 1984

Beverage Industry

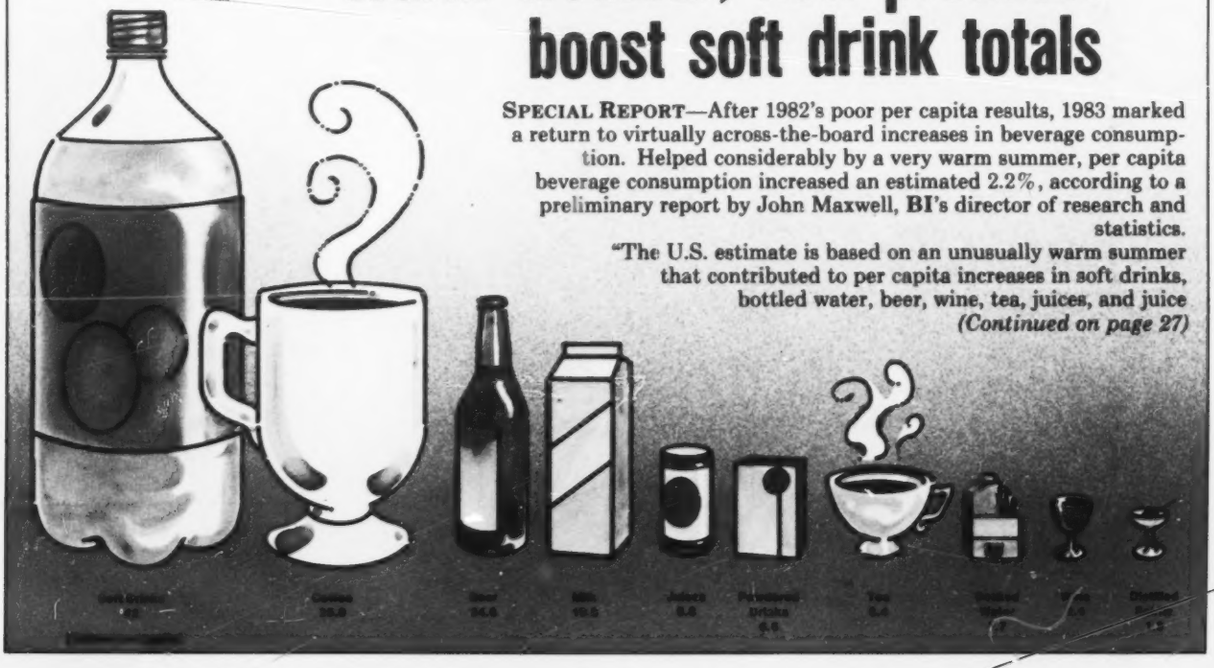
MARKETING □ DISTRIBUTION □ TECHNOLOGY

AN HBJ PUBLICATION

St. Louis a market profile page 13

'83 per capitas increase 2.2%

Warm weather, new products boost soft drink totals



SPECIAL REPORT—After 1982's poor per capita results, 1983 marked a return to virtually across-the-board increases in beverage consumption. Helped considerably by a very warm summer, per capita beverage consumption increased an estimated 2.2%, according to a preliminary report by John Maxwell, BI's director of research and statistics.

"The U.S. estimate is based on an unusually warm summer that contributed to per capita increases in soft drinks, bottled water, beer, wine, tea, juices, and juice

(Continued on page 27)

Aspartame breakdown under study

But NSDA, Searle affirm its safety

SKOKIE, IL—G.D. Searle's revolutionary low-calorie sweetener, aspartame, has come under fire recently because of alleged chemical breakdowns under certain storage conditions.

Aspartame, marketed under the brand name NutraSweet in soft drinks, has been heralded as a new sugar substitute which, according to previous reports, is 180 times sweeter than sugar.

The Arizona Department of Health Services is currently testing certain soft drinks that contain NutraSweet for possible signs that the sweetener deteriorates into toxic levels of methyl alcohol under warm storage. Arizona State University and members from the Arizona Dietetic Association petitioned the health services department to outlaw soft drinks with aspartame.

But NSDA officials reply: "That question has been specifically addressed by FDA and dismissed as of being no consequence ... Researchers have noted that the methyl alcohol content occurring naturally in fruit juices is much greater than the maximum amount that could be formed in aspartame-sweetened soft drinks."

Howard Roberts, NSDA vp-science and technology, adds, "NSDA has no reservations about the continued use of aspartame ..."

(Continued on page 55)

BI Report

• Coca-Cola recently concluded five regional bottlers meetings on aseptic packaged products. According to sources, the "low key" meetings discussed potential for bottlers in the field. Presentations covered full range of aseptics from production through marketing. Coke expertise, through its Foods Div.—reportedly the largest U.S. producers of aseptics with Hi-C—on full display. A public announcement is expected within the month.

• Dr Pepper proxy state-

(Continued on page 62)

Posner vs. RC in leverage deal

ATLANTA—Management of Royal Crown Cos. announced here last month a leveraged buyout of the firm. The move was immediately contested by long-time investor Victor Posner, who owns approximately 28% of the outstanding stock.

Total value of the opposing offers range from $303 million to $328 million.

Under the management offer, $37 per share, RC would be merged with Peachtree Holdings, owned by RC Chairman William T. Young, President Donald A. McMahon and David Jones, an RC director.

The Posner offer, $40 per share, is being made through a newly-formed subsidiary of Chesapeake Insurance Co., an affiliate of DWG Corp., which Posner controls.

The board also issued two million shares of a new series of preferred stock to Peachtree Holding which carries three votes a share, giving Peachtree voting control. □

Feds propose making 21 minimum drinking age

by Patricia Raber

WASHINGTON, DC—As a means of cracking down on the pervasive problem of drunk driving, a presidential commission has recommended that there be a federal law raising the minimum drinking age to 21.

But the administration and the United States Brewers Assoc. (USBA) contend that drinking age limits should be determined by the individual state.

The Presidential Commission on Drunk Driving proposed that states not in compliance with the higher age requirement would lose their federal highway construction aid.

Nineteen states already require 21 as the legal drinking age and a bill introduced by Rep. James Florio (D-NJ) calling for a national drinking age of 21 passed a House Energy and Commerce subcommittee last session. The full committee is expected to act on the measure shortly.

Still, the administration has consistently opposed federal intervention in the drinking age issue. During hearings on Florio's bill, National Highway Traffic Safety Administrator Diane Steed admitted that while the administration believes a higher drinking age will indeed save lives, it is still a state matter.

"We believe that a strong trend has already been established in this direction through grassroots efforts of many organizations," she testified.

And when the commission recently released its 39-

(Continued on page 55)

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BI Now Package

The Multi-Pak wraparound paperboard cartons can improve aseptic product identity, International Paper reports. Page 43.

Beverage Industry

LA-based AmeriCola plans national rollout

CARSON, CA—AmeriCola Beverage Co., which has marketed its product solely in the Southern California area for almost two years, has announced plans for nationwide distribution over the next six months.

"We will be going into a new region every 30 days," revealed president Andrew Manley from the company's headquarters, located here.

The first introduction outside Southern California took place this month in the San Francisco Bay area to cover the Northern California territory.

AmeriCola makes its debut in January in Georgia and four surrounding states through a central office in Atlanta. This month, the product goes to the Midwest, via Chicago, St. Louis, Kansas City and major cities in Indiana.

The Mid-Atlantic region, including New Jersey, Pennsylvania, Maryland, Washington, D.C., and parts of Virginia, will get its first taste of AmeriCola in March, followed by New York and the New England states in April. The last of the currently

(Continued on page 56)

BI study: Speed, efficiency top buyers' equipment requirements

by Craig Fintor

SPECIAL REPORT—Evidently increasing sales coupled with the return of a stronger national economy has spurred beverage producers to get out their budgets and checkbooks and make plans to modernize their plants.

According to a recently-released exclusive **Beverage Industry** study (see page 69, November 1983), 74% of the country's beverage producers are planning capital expenditures this year. Of that total, 10% will make substantial investments of $1 million or more. Meanwhile, 63% of the respondents to the **BI** study revealed that they will spend more money than was budgeted in 1983.

The 1984 equipment trends study was conducted by the Infometrics National Research Center of Harcourt Brace Jovanovich Publications. The figures were tabulated by the **Beverage Industry** Statistical Research Center. This year's study includes the entire realm of the beverage industry—carbonated beverages, non-carbonated liquid beverages, powders, wine, malt beverages, bottled water, and juices.

In addition to pegging their planned purchases, respondents were asked to rank specific equipment characteristics and problems in order of importance. These responses reveal what, in essence, the beverage corporate buyer is looking for in new equipment.

Equipment trends

Overall, these executives are looking for faster speeds; greater flexibility; more auto-

(Continued on page 44)

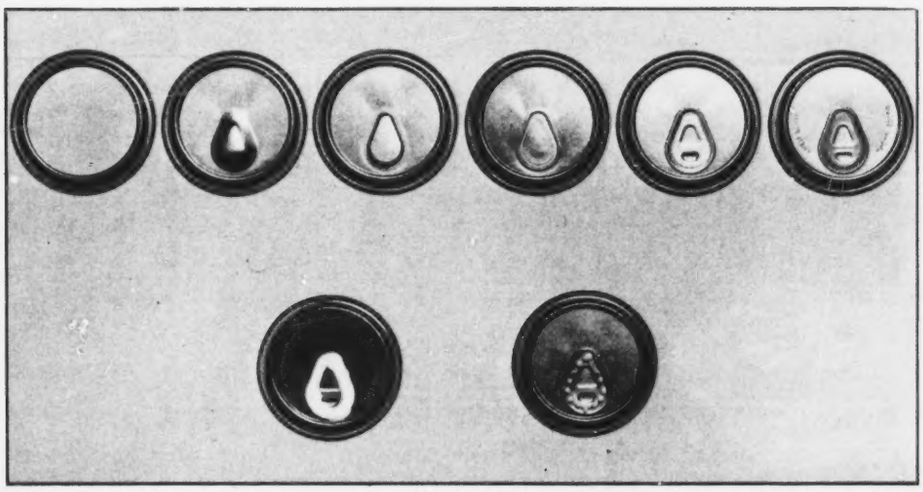
Syfo, MSB ink pact for franchising water

N. MIAMI, FL—Syfo Water Co., located here, a major franchisor of bottled water products, and Mid-South Bottling, holding company for Pepsi-Cola bottlers in Tennessee, Arkansas, Louisiana and Mississippi, have announced a new franchising relationship between the two companies. The announcement was made by Syfo Water Co. president Jeff Schussler in December.

Under the new agreement, Mid-South's subsidiaries, Gulf South Beverages, Inc. and Pepsi-Cola Bottling of Baton Rouge, Inc. will become franchised bottlers of Syfo water products for most of the Louisiana markets, Schussler said. It can be expected, he states, that the other Mid-South areas will be added in the near future.

Mid-South, headed by former Pepsi-Cola officer Al Burke, will be a key marketing area and supply point in helping Syfo expand into other markets across the U.S. In making the joint announcement, Burke said, "Sparkling water has become the fastest growing segment of the carbonated soft drink market and bottled water has tripled over the past seven years. Together they're growing at an annual rate of 15% ... We're excited about the growth possibilities offered by this relationship."

The joint venture is effective immediately, according to both Schussler and Burke. The companies began producing in the New Orleans operation on Dec. 15, Burke said, and expected full distribution by Jan. 15." □



Top row illustrates production sequence in making the Tab-E end, beginning with a plain end at left, several tab-forming stages and finishing with the new end at right. Two ends at bottom depict tab sealing materials, either plastisol, at left, or a hot melt-type sealant.

Money saving can end developed

LANSING, MI— A new can end developed by Amtech International, located here, can reportedly save users nearly $10-per-thousand cans. The new steel easy-opening end can be used for steel cans holding beer, soft drinks and juices, according to the American Iron and Steel Institute (AISI).

The new "Tab-E" operates by a slight finger pressure to vent the opening, then a gentle push to depress the hinged tab, which remains attached to the end.

According to Edgar D. Smith, president of Amtech International, the concept is currently being evaluated by major can companies, beverage producers and others. Obviously partial to steel, Smith said, "The prospect of a substantial package cost reduction is the primary reason for this interest.

"The two main factors that make it possible are the use of steel instead of aluminum and the fact that no additional

(Continued on page 24)

New Coke ad campaign bullish on Sprite, Tab

ATLANTA—Coca-Cola USA has taken the promotional bull by the horn with an aggressive new advertising campaign for Sprite and a more sharply focused campaign for Tab with Olympic gold medalist Dorothy Hamill as a spokeswoman.

The campaign features a series of new television commercials that also include spots for diet Coke with NutraSweet, caffeine-free Coke and a commercial dubbed "Family Portrait" for flagship brand Coke. Commercials focusing on the 1984 Olympic Games are also airing, said company officials.

The Sprite campaign goes

(Continued on page 37)

VO:

Recently an independent research firm ran a taste test between Sprite and 7UP.

And the taste people chose most often was the taste of Sprite.

That's because Sprite's the only caffeine-free soft drink with Lymon.™

And people just seem to love that great Lymon™ taste.

We like to look at it this way...

We gave the people a choice, and more of them made the Sprite one.

MUSIC:

It's ONLY SPRITE for you!

Features

1 **BI's annual beverage study**
The long hot summer of 1983 proved to be a boon to the beverage industry. Each segment of the industry had virtually across-the-board increases.

4 **Plant improvements targeted**
The checkbooks will be opening up this year with a fury as beverage industry executives begin to upgrade and replace their old plant equipment.

13 **St. Louis market study**
BI's exclusive continuing series of key market cities views the city known as the "Gateway to the West." What makes this city tick? What are its current beverage trends? One critical beverage factor of this innovative city remains clear: Anheuser-Busch is tops.

40 **Bully for RKO Bottlers**
This Fort Wayne Pepsi bottler has invested more than $25 million on vending. More cases are sold through vending than at home, say company executives.

43 **IP introduces aseptic Multi-Pak**
International Paper is taking the aseptic bull by the horns and is marketing Multi-Pak, a new paperboard carton for aseptic packages.

48 **Casing the casers and uncasers**
What are beverage executives looking for in casers and uncasers? **Beverage Industry's** survey describes the needs of beverage companies throughout the U.S. The survey also points out how much money some company executives will spend to get what they want for improved productivity.

page 13

page 40

Departments

Reader service 17
Beverage Indicators 19
Trucks 31
Plant Security 32
NOW Package 43
New Products 57
Newsmakers 58
Supply House 61
Classified ads 63
Ad Index 66
Editorial 68

Soundoff

People: still the solution

"The solution to the continuing threat of soft drink taxation in the U.S. depends on you and hundreds of other people in the soft drink industry. This industry has the people, the facts and the resources to do the job. . . . Indeed, we have done it over 2,000 times over a period of 50 years. . . .

"The key to continued victory in this vital area is based on sincere, effective, individual personal effort. If all persons in the soft drink industry continue to be dedicated to preserving a competitive soft drink market which is not encumbered with special discriminatory soft drink taxation, then we will be successful. . . ."

—Oakley Melton, Jr.
Legal Counsel, Alabama SDA
at the '83 InterBev Conference.

BEVERAGE INDUSTRY (ISSN-0148-6187) is published monthly by Magazines For Industry, Inc., a subsidiary of Harcourt Brace Jovanovich Publications. Corporate and Editorial offices: 7500 Old Oak Boulevard, Cleveland, Ohio 44130. Advertising offices: 747 Third Avenue, New York, New York 10017 and 111 East Wacker Drive, Chicago, Illinois 60601. Accounting, Advertising Production and Circulation offices: 1 East First Street, Duluth, Minnesota 55802. Subscription rates: $35 per year in the United States; $45 per year in Canada. All other countries: $70 per year. Single copies (prepaid only): $2 in the U.S.; elsewhere $6.00; add $3.00 for shipping and handling per order. Second class postage paid at Duluth, Minnesota 55806 and additional mailing offices.

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Beverage Business Indicators*

Selected Consumer Price Index (base: 1967 = 100)

	August 1983	September 1983	% Change	September 1982	Sept. '82 vs. Sept. '83 % Change
Cola	312.4	312.7	.1	305.0	2.5
Other carbonated soft drinks	146.3	147.6	1	144.6	2.1
Noncarbonated drinks	140.5	141.0	.35	138.8	1.6
Wine	234.8	235.7	.38	237.5	(1)
Beer and ale	224.4	225.4	.46	211.4	6.6

The Consumer Price Index (CPI) is a measure of the average changes in prices over time in a fixed "market basket" of goods and services. The index measures price changes from a designated reference date which equals 100 (usually 1967). An increase of 22 percent, for example, is shown as 122. This change can also be expressed in dollars as follows: The price of a base period "market basket" of goods and services in the CPI has risen from $10 in 1967 to $12.20.

Source: U.S. Department of Labor Bureau of Labor Statistics

Closures for Beverages (thousands of gross)

	May 1983	June 1983	% Change	June 1982	June '82 vs. June '83 % Change
Metal (for spirits, wines)*	90,063	78,598	(12.8)	43,307	81.5
Plastic (for spirits, wines)*	113,980	148,871	30.6	143,921	3.4
Metal Crowns (beer & soft drinks)	15,530	14,756	(5)	24,652	(40)
Soft drink (convenience and conventional types)	6,155	6,989	13.5	10,114	(31)
Beer (convenience and conventional types)	9,348	7,767	16.9	14,538	(47)
All other metal closures other than crowns	9,281	8,898	4.1	6,587	35.1

*thousands of units

Source: U.S. Department of Commerce Bureau of the Census

Bottle Shipments (thousands of gross) (not seasonally adjusted)

	[illegible] '83	June 1983	% Change	June 1982	June '82 vs. June '83 % Change
Glass Bottle Production Total Bottles:	26,251	26,807	2.1	29,226	(8.3)
Beverage: Refillable	350	340	(2.9)	398	(14.6)
Nonrefillable	5,400	5,991	11	6,343	(5.5)
Beer: Refillable	331	175	(47)	134	(31)
Nonrefillable	9,281	9,183	(1.1)	10,121	(9.3)
Liquor	1,127	1,150	2	1,254	(8.3)
Wine	785	855	8.9	727	17.6
Plastic Bottle Production* Carbonated beverages	188,619	237,579	26	213,150	11.5

*thousands of units

Source: U.S. Department of Commerce Bureau of the Census

Selected Producer Price Index (base: 1967 = 100)

	August 1983	September 1983	% Change	September 1982	Sept. '82 vs. Sept. '83 % Change
Soft drinks	325	327.1	.64	318.8	2.6
Alcoholic beverages	206.4	206.7	.15	199.7	3.5
Beverages and beverage materials	263.4	264.5	.42	257.1	2.9
Packaged beverage materials	324.3	324.7	.12	319.4	1.7

The Producer Price Index (PPI) is a measure of the average changes in prices received in primary markets of the United States by producers of commodities in all stages of processing. These data were formerly called the Wholesale Price Index. The name was changed to more accurately reflect the coverage of the data. PPI's are designed to be interpreted in the same manner as the CPI.

Source: U.S. Department of Labor Bureau of Labor Statistics

Imported Beverages (proof gals)

	July 1983	August 1983	% Change	August 1982	August '82 vs. August '83 % Change
Beer*	18,922,755	18,069,334	(4.5)	NA	–
Whiskey	4,121,614	7,412,365	80	NA	–
Brandy	369,449	325,018	(12)	NA	–
Gin	564,845	482,895	(15)	NA	–
Rum	150,648	122,807	(18.5)	NA	–
Cordials & liqueurs	642,349	522,621	(18.6)	NA	–
Others	627,778	928,440	48	NA	–
Total	25,399,438	27,863,480	9.7	NA	–
Sparkling wines	737,920	694,264	(5.9)	NA	–
Still wines, table	9,122,165	8,886,257	(2.6)	NA	–
Still wines, fortified	159,627	156,639	(1.9)	NA	–
Vermouth	126,061	182,066	44.4	NA	–

*Includes ale, stout, porter
NA: Not Available
Source: National Association of Beverage Importers, Inc.

Sweeteners (cents per pound)

	September 1983	October 1983	% Change	October 1982	October '82 vs. October '83 % Change
42% Corn Syrup High Fructose Decatur, IL, tank cars, cwt.	12.09	12.09	–	NA	NA
55% Corn Syrup High Fructose Decatur, IL, tank cars, cwt.	14.25	14.25	–	14.25	–
Sugar, liquid ind. no. 2 per cwt. solids, F.O.B. (N.E. refinery)	32.20	32.20	–	32.20	–

NA: Not Available
Source: The Journal of Commerce

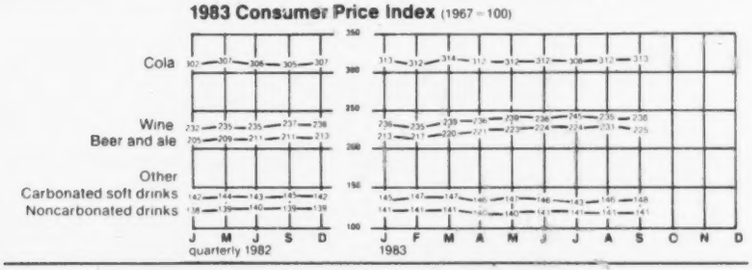
Alcoholic Beverage Removals (barrels of 31 gals)

	June 1983	July 1983	% Change	July 1982	July '82 vs. July '83 % Change
Beer	17,334,301	17,103,625	(1.3)	16,328,649	4.8
Wine*	35,442,114	29,652,854	(16.3)	26,976,976	10
Spirits*	32,452,675	24,693,465	(24)	24,058,070	26.4

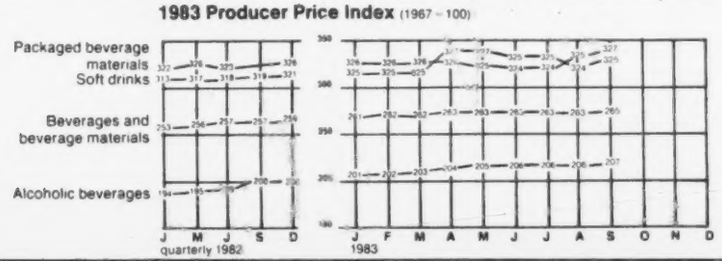
*wine gals

Source: U.S. Department of the Treasury Bureau of Alcohol, Tobacco and Firearms

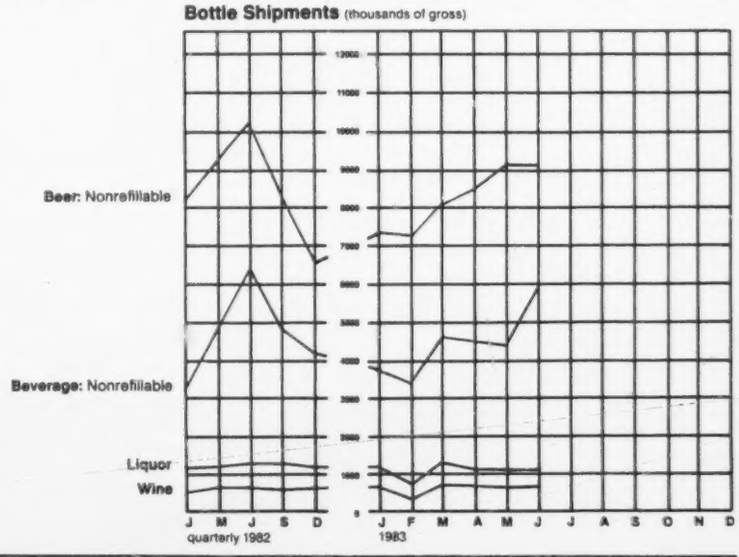
1983 Consumer Price Index (1967 = 100)



1983 Producer Price Index (1967 = 100)



Bottle Shipments (thousands of gross)



U.S. liquid consumption trends

(gallons per capita)

	1965	1966	1967	1968	1969	1970	1971	1972	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983E
Soft Drinks	20.3	22.3	23.5	24.8	25.9	27.0	28.6	30.1	31.5	31.4	31.0	33.7	35.9	37.1	38.1	38.8	39.5	40.1	42.0
Coffee	37.8	37.4	37.0	37.0	36.2	35.7	35.3	35.2	35.1	33.8	33.0	29.4	28.0	27.0	29.2	26.8	26.7	26.1	25.9
Beer	15.9	16.5	16.8	17.3	17.8	18.5	19.2	19.7	20.5	21.3	21.6	21.8	22.5	23.1	23.8	24.3	24.6	24.4	24.6
Milk	26.0	25.9	25.3	25.6	25.3	23.1	23.0	23.1	22.7	22.0	22.1	21.9	21.5	21.3	21.0	20.7	20.4	20.0	19.8
Juices	3.8	4.0	4.8	4.7	4.8	5.2	5.7	6.1	6.1	6.2	6.9	6.9	6.9	6.6	6.7	6.9	6.7	6.6	6.8
Tea	4.9	5.2	5.1	5.3	5.2	5.5	5.8	5.9	6.3	6.2	6.2	6.4	6.9	6.7	6.6	6.6	6.5	6.3	6.4
Powdered Drinks	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	4.8	5.5	5.9	6.1	6.0	6.0	6.0	6.0	6.5
Wine	1.0	1.0	1.0	1.1	1.2	1.3	1.5	1.6	1.7	1.7	1.7	1.7	1.8	2.1	2.2	2.3	2.3	2.3	2.4
Bottled Water	NA	NA	NA	NA	NA	NA	1.1	NA	NA	NA	1.2	1.2	1.3	1.4	1.5	1.6	1.9	2.2	2.7
Distilled Spirits	1.5	1.6	1.6	1.7	1.8	1.8	1.9	1.9	1.9	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	1.9	1.8
Subtotal	111.2	113.9	115.1	117.5	118.2	118.1	122.1	123.6	125.8	124.6	130.5	130.5	132.7	133.4	137.1	136.0	136.6	135.9	138.9
Imputed Water Consumption	71.3	68.6	67.4	65.0	64.3	64.4	60.4	58.9	57.6	57.9	52.0	52.0	49.8	49.1	45.4	46.5	45.9	46.6	43.6
Total	182.5	182.5	182.5	182.5	182.5	182.5	182.5	182.5	182.5	182.5	182.5	182.5	182.5	182.5	182.5	182.5	182.5	182.5	182.5

Sources: USDA; DSI; USBA; ABWA; LBKL Research estimates

Copyright: John Maxwell, Beverage Industry, February 1984

Warm weather, new products boost SD totals

(Continued from page 1)

drinks," says Maxwell.

Coffee, milk and distilled spirits did not gain in per capita consumption for the second consecutive year.

The report shows that soft drinks made the highest per capita jump, moving to 42.0 gallons from 40.1 in '82. In addition to warm summer weather, consumption was aided by an improving economy, and new caffeine free and aspartame-sweetened diet beverages.

The new segments appear to be attracting some new consumers for soft drinks, primarily the health-conscious drinker.

Although 1983 soft drink brand figures are not yet available, it is anticipated that diet beverages will approach 20% of totals. **Beverage Industry** also estimates that caffeine free colas will account for between 5%-10% of the total cola category.

The other big gainer, bottled water, sustained an increase of 22.7% in 1983, bringing its total per capita consumption to 2.7, up from 2.2 gallons in 1982. One reason for this, Maxwell says, is because of consumer inclination to stay away from tap water.

Imputed water (tap water) dropped from 46.6 gallons in '82 to 43.6 last year, by far the largest decline of all beverages represented in the report. Maxwell feels that this is in large part the result of heightened consumer fear over municipal water filtering systems. The health-conscious consumers have also surfaced in the water area.

While the beer industry gained in per capita consumption in '83, none of the gains were particularly significant. Beer consumption was 24.6 gallons in '83, a min-

(Continued on page 30)

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Estimated tea sales trends
(million lbs.)

	1978		1979		1980		1981		1982		1983E	
	Amount	Pct.	Amount	Pct.	Amount	Pct.	Amount	Pct.	Amount	Pct.	Amount	Pct.
Iced Tea	106.18	68.5%	105.26	68.4%	106.16	68.1%	105.06	67.3%	103.55	66.8%	106.96	67.3%
Hot Tea	48.82	31.5	48.74	31.6	49.84	31.9	50.94	32.7	51.45	33.2	52.04	32.7
Total	154.00	100.0%	156.00	100.0%	156.00	100.0%	156.00	100.0%	155.00	100.0%	159.00	100.0%

Estimated wine consumption
(gallons per capita)

	1977	1978	Change	1979	Change	1980	Change	1981	Change	1982	Change	1983E	Change
Domestic	1.510	1.726	14.3%	1.742	0.9%	1.806	3.7%	1.847	2.3%	1.821	(1.4)%	1.848	1.5%
Imported	0.313	0.421	34.5	0.408	(3.1)	0.449	10.0	0.493	9.8	0.525	6.5	0.557	6.0
Total	1.823	2.147	17.8%	2.150	0.1%	2.255	4.9%	2.340	3.8%	2.346	0.3%	2.405	2.5%

Sources: USDA; DSI; USBA; ABWA; LBKL Research estimates

Copyright: John Maxwell, Beverage Industry, February 1984

Warm weather, new products boost SD totals

(Continued from page 27)
imal gain from the 24.4 of the previous year, Maxwell said. He also says volume could have been flat or down had it not been for the extra hot summer.

"People are moving away from alcoholic beverages across the board, including wine, beer and hard liquor," said Maxwell. "Alcoholics Anonymous is at a new high in registration, drunken driving laws are being passed and enforced, and higher minimum ages for drinking are discussed in most states. All of this attention has acted to lower consumption."

Wine up slightly

Maxwell estimates per capita wine consumption in 1983 to be 2.4 gallons, up 2.5%, with imports gaining 6% and domestic wine showing a 1.5% increase.

One wine industry source says new positioning of domestic wine in ads contributed to this increase. For example, positioning wine as a beverage that would go great with chicken, pizza, tacos or any type of picnic food helped to increase consumption.

Juices and juice drinks—spurred in large part by the popularity and growing distribution of aseptic packages—appear to be back on the growth cycle. Maxwell estimates '83 per capita at 6.8 gallons, up from 6.6 in '82. Again, he points to the hot summer as the primary reason for the increase.

The effect of temperature also is evident in the tea segment. Per capita tea consumption was 6.4 gallons, up slightly from 1982's 6.3. Iced tea made up the bulk of the gain. Iced tea is 67.3% of total tonnage and was up some 3.4 million lbs. in '83. Hot tea, however, dropped to 32.7% of the total, while tonnage of tea rose to only about .5 million lbs. □

Packagers pick Surlyn® for

From high-speed packaging through shipping and consumer purchase, SURLYN

SURLYN* ionomer resin provides outstanding adhesion to unprimed foil, and good adhesion to PE. By maintaining its adhesion against aggressive acids, solvents and oils, SURLYN helps give aseptic cartons the integrity needed for extended shelf life.

SURLYN also strengthens the oxygen barrier of aseptic cartons. The adhesive layer of SURLYN guards against spoilage by helping resist foil flex cracking and pinholing.

Cost-cutting benefits proved.

A Du Pont study shows that aseptic packaging can cut roughly 50% from the total cost of packaging juices and juice products. Particularly in

Significant machinery problems

	Total	Carbonated beverages	Non-carbonated liquid beverages	Powders	Wine	Malt beverages	Bottled water	Juices
Insufficient speed base:	(194)	(83)	(31)	(6)	(19)	(20)	(17)	(18)
Major problem	16%	14%	7%	33%	22%	20%	11%	6%
Somewhat of a problem	42	50	36	34	12	43	56	38
Not much of a problem	32	25	50	33	44	21	22	46
No problem at all	10	11	7	*	22	7	11	8
Lack of flexibility								
Major problem	23%	31	36	17%	33%	7%	*%	15%
Somewhat of a problem	32	28	14	16	22	67	22	47
Not much of a problem	38	33	43	67	33	26	78	23
No problem at all	7	8	7	*	10	*	*	15
Availability of spare parts								
Major problem	35%	28%	47%	33%	70%	33%	12%	33%
Somewhat of a problem	26	31	15	33	10	31	33	17
Not much of a problem	27	31	15	17	20	18	33	42
No problem at all	12	10	23	17	*	13	22	8
Energy/power consumption								
Major problem	20%	19%	36%	17%	13%	13%	23%	15%
Somewhat of a problem	33	41	29	*	12	47	33	31
Not much of a problem	38	32	28	67	63	33	33	46
No problem at all	9	8	7	16	12	7	11	8
Vendor service								
Major problem	19%	19%	21%	17%	30%	13%	13%	17%
Somewhat of a problem	28	25	29	33	20	34	13	42
Not much of a problem	37	45	21	17	40	40	50	24
No problem at all	16	11	29	33	10	13	24	17
Cost								
Major problem	20%	25%	21%	*%	22%	18%	33%	8%
Somewhat of a problem	54	50	58	33	44	58	56	69
Not much of a problem	23	17	21	67	33	24	11	23
No problem at all	3	8	*	*	*	*	*	*
Quality of construction								
Major problem	28%	27%	36%	*%	40%	31%	22%	23%
Somewhat of a problem	27	32	14	33	10	38	11	31
Not much of a problem	35	32	29	50	50	25	44	38
No problem at all	10	9	21	17	*	6	22	8
Delivery time								
Major problem	17%	19%	14%	17%	11%	31%	11%	8%
Somewhat of a problem	44	43	50	17	67	38	33	54
Not much of a problem	34	35	29	49	11	31	56	30
No problem at all	5	3	7	17	11	*	*	8

*Under 5%

Totals may not equal 100 because of rounding

Source: SRCH Statistical Research Center for Beverage Industry

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February 1984

Efficiency, speed top buyers' needs

(Continued from page 4)

matic action; advanced controls or monitoring systems; greater efficiency; and greater energy efficiency. Another key requirement is ROI.

The majority of soft drink firms do not expect a return on their investment in the first year while 7% of beer producers expect maximum return on their capital equipment investment in the first 12 months. Forty-seven percent of the soft drink companies say that they expect to receive maximum return on their capital equipment investment in three years after purchase.

Meanwhile, 43% of the beer manufacturers expect their investment return to occur in two years after purchasing.

Fifty-six percent and 50% of bottled water and powder drink makers, respectively, report that they expect maximum return on their capital equipment investment in two years after purchase. But 63% of wine producers and the remaining 50% of powder drink companies expect maximum return in three years.

Labor savings that affect the return on their investment is the top priority of 75% of wine makers. But 100% of the powder drink producers and 90% of the non-carbonated liquid beverage makers say that the combination of labor savings and more finished output efficiency per machine is important to them.

Seventy-five percent of malt beverage companies consider faster speed "very important" in purchasing equipment. But, 77% and 71%, respectively, of juice producers and non-carbonated liquid beverage firms responding to the study stated that faster speed in equipment is "somewhat" important.

Labor savings

Seventy-four percent of the soft drink companies responding to **BI**'s study revealed that factors which affect return on their capital equipment purchase are labor savings combined with improved finished output efficiency per machine.

Most of the beverage firms questioned said that greater flexibility in equipment is "very" important. But only 17% of powder drink companies regarded greater flexibility as a top priority. More automatic action is regarded with equal importance by the responding companies.

Forty percent of the re-

(Continued on page 51)

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What bottlers need in casers, uncasers

Speed and efficiency sought by bottlers

EXCLUSIVE REPORT—Based upon an extensive survey of major beverage industry suppliers of casers and uncasers, the industry is experiencing the following trends:

- PET: Higher speed units that offer more automatic control and better operating machine efficiency;
- Cans: Units that offer higher speeds and greater operating efficiency are being sought by bottlers;
- Glass: Higher speed machinery is needed by some bottlers. But units that handle this type of container are not being sought by customers. The reason? Many bottlers are making the switch to other containers.

This is the second of 12 trend reports that **Beverage Industry** will publish this year. This report is compiled from personal interviews and survey forms received from nearly every major caser/uncaser supplier in the United States. Traditionally, **BI** has surveyed customers to determine their needs and requirements. This year, however, **BI** asked top executives in major supplier firms for their observations in the industry.

Efficiency, then speed

Although machinery speed was an important consideration by suppliers, it was not the primary factor. Greater operating efficiency was the most important element rated by executives. An even 100% of those executives responding to **BI's** study reported that greater efficiency in operation was important to them. The most critical problem regarding casers/uncasers, according to the survey, is the amount of down time. Fifty percent of the respondents believe that down time is a major problem.

Faster speed was the next highest advance of casers/uncasers, according to the tabulations. Seventy-five percent of the respondents report that speed is very important. The third most important factor was more automatic action, receiving 58% of the executives' consideration.

Advanced controls/monitoring systems and greater flexiblity received were rated equally by the respondents with 41%. The least favorite factor that executives considered as being very important was energy efficiency with only 8%.

Insufficient speed and lack of flexibility were considered to be major problems by 33% of the respondents with quality of construction rated as a major problem by 25% of the surveyed. Meanwhile, 75% of the respondents said that energy/power consumption was "not much of a problem."

Speed requirements

Many of the manufacturers responding to the survey said that speed is a top requisite for their customers. A spokesman for A-B-C Packaging Machinery Corp. reported, "There is a tendency toward smaller machines

How suppliers rate significance of caser/uncaser advances for the beverage industries

Advances	Very important	Somewhat important	Not too important
Faster Speed	75%	17%	8%
Greater flexibility in operation	41%	50%	9%
More automatic action	58%	25%	17%
Advanced controls or monitoring systems	41%	42%	17%
Greater efficiency in operation	100%	—	—
More energy efficient	8%	17%	75%

Source: SRCH, Research Center for Beverage Industry

Copyright: Beverage Industry February 1984

"After International convinced us their 2375 tractor was the most fuel-efficient truck on the road, we didn't buy one...

...we bought over a hundred."

Irwin Rashkover
VP Purchasing and Maintenance
National Freight, Inc.
Vineland, New Jersey

that have greater speed capabilities—casers and uncasers that can pack or unpack different types of cases as new case styles become available." The company is receiving good results of its newest caser. Called "Blitzpak," the unit can function as a caser or uncaser and features positive handling with no-drop placement and PCL controls.

R.A. Jones & Co. Inc. officials report that 80 cases per minute will be "required with gentle handling to reduce glass bottle abrasion and damage." Executives point out that their customers are searching for speed, simplicity, durability and reliability. The Cincinnati firm offers its customers the CMP-II caser. The new unit offers a high speed and lower cost than the old model. It also offers easy changeover from boxboard to corrugated. Meanwhile, the company also features the HSU uncaser that is quiet, offers continuous motion, high speeds and quick changeovers.

Dacam Corp. spokesmen reported that "faster, more reliable, easier changeover" units are what their customers need. The company's TP-3 Traypacker is a well-proven and simple operation, according to company spokesmen.

Industrial Automation Corp. executives said that higher speed and "the ability to uncase both glass NR and returnables and PET on the same unit" is a characteristic their customers require. According to company spokesmen, quick and easy changeover; half- and full-depth capability in one unit; and all stainless steel construction are vital specifications requested by customers.

"Machinery that will protect the integrity of their product" is how executives from the Lodge & Shipley Co., Climax Products Division described the requirements of their customers. The company offers new casers and uncasers. The C.C.P. continuous rotary casepacker is a high-speed unit with low-speed conveyors.

Officials of Wayne Automation Corp. concur with the aforementioned statement. That is one reason why their new casepacker automatically clears a fallen container without an attendant. The new unit also eliminated the three-bottle jam and lengthy changeovers.

Meanwhile, Burton Rice, president of John Burton Machine Corp., said that his firm's customers require machines that offer less noise but high speed single row uncasing and casing. The company has developed a new uncaser that has such features, plus offers low maintenance.

How suppliers rate significance of problems beverage industries encounter with caser/uncasers

Problems	Major problem	Somewhat a problem	Not much of a problem	No problem at all
Insufficient Speed	33%	50%	17%	—
Lack of flexibility	33%	58%	9%	—
Availability of spare parts	17%	25%	58%	—
Energy/power consumption	—	8%	75%	17%
Cost	17%	50%	33%	—
Quality of construction	25%	67%	—	8%
Down Time	50%	42%	8%	—

Source: SRCH, Research Center for Beverage Industry

Copyright: Beverage Industry February 1984

Irwin Rashkover expresses his confidence in International Trucks during a conversation with our National Customer Advisor, John Unitas.

JOHN: Being in the trucking business myself, Irwin, I realize that investing in a hundred Internationals is a very strong commitment on your company's part.

IRWIN: It sure is, John. But remember we're a large trucking company with over thirty years experience in hauling freight throughout the United States. So we know what we're doing.

JOHN: Why choose the International 2375?

IRWIN: Lots of reasons. The most important is what International calls LCO. As you know John, that stands for Lowest Cost of Ownership. Leo Schofield, International's Regional VP, and his sales people brought a computer to our office. They sat down with us at a terminal, and through one of their "FOCUS" programs, entered in facts like operating cost, price of trucks, service life and fuel consumption. In a few minutes they showed that if our 2375's travel an average of 100,000 miles per year, we'll save as much as $596,000 over a twelve month period. I can't imagine any fleet owner, large or small, not being impressed by this demonstration.

JOHN: Any other reasons you bought International?

IRWIN: The IH service and parts support. International has the largest family of heavy truck dealers in the nation. And they have the largest parts inventory in the business. Their system is computerized so that if our trucks need service parts, International will give us fast nationwide assistance and uniform competitive parts pricing through their exclusive Fleet Leader Network.

JOHN: Well, a great strength of International's service and parts support is that their nationwide family of dealers really works together.

IRWIN: From what I've read, all this has helped International's terrific growth in sales over the past year.

JOHN: In fact, International's market share grew more than 12% in 1983.* International is growing and so are you.

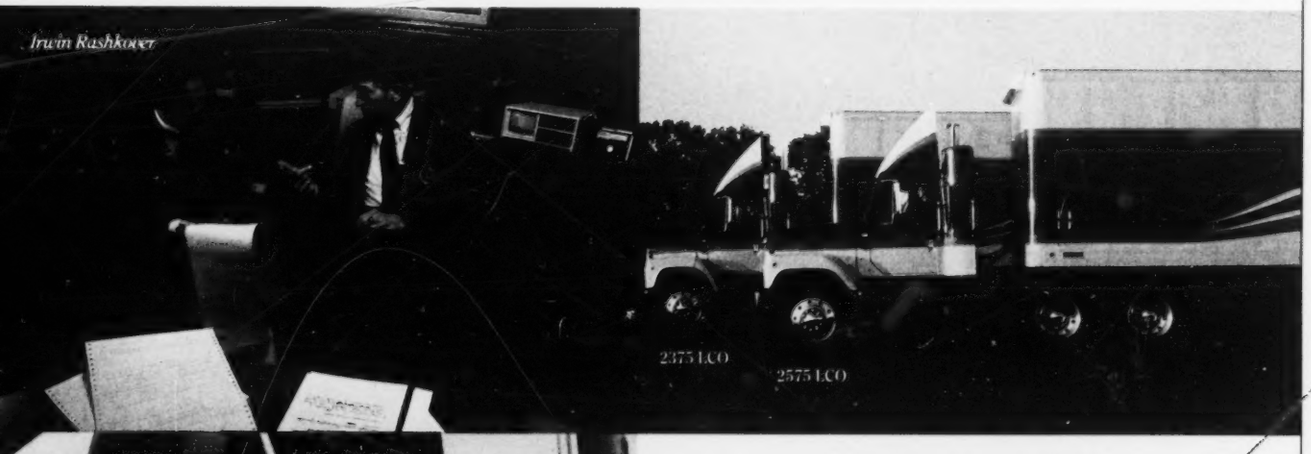
IRWIN: And we plan to keep growing.

JOHN: So you're confident you made the right decision in buying Internationals?

IRWIN: John, if we weren't, we wouldn't have bought a hundred Internationals. In fact, we wouldn't even have bought one!

*R.L. Polk—New Vehicle Registrations, 9/83

To find out how the new International LCO family of trucks, including the new fuel-efficient 2575 can lower your cost of ownership, write John Unitas, c/o International Trucks, 401 North Michigan Avenue, Chicago, Illinois 60611.



John Unitas speaks for us.
Our Trucks speak for themselves.

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• For more information on **A-B-C Packaging Corp.,** circle no. 167; on **Bottlers Supply & Mfg. Co.,** circle no. 168; on **Buckner Equipment Co.,** circle no. 169; on **Climax Products Div.,** circle no. 170; on **Dacam Corp.,** circle no. 171; on **Hamrick Mfg. & Service, Inc.,** circle no. 172; on **Hartness International,** circle no. 173; on **H.J. Langen & Sons Ltd.,** circle no. 174; on **George J. Meyer Mfg. Co.,** circle no. 175; on **New Way Pkg. Machinery,** circle no. 176; on **Nigrelli Corp.,** circle no. 177; on **Pak-Master Mfg. Co.,** circle no. 178; on **R.A. Pearson Co.,** circle no. 179; on **Pneumatic Scale Corp.,** circle no. 180; on **Ram Machinery Corp.,** circle no. 181; on **Simplimatic Engineering Co.,** circle no. 182; on **Standard Knapp Inc.,** circle no. 183; on **Vickers Miller Hydro,** circle no. 184; on **Wayne Automation Corp.,** circle no. 185; on **Wild & Schulze Inc.,** circle no. 186; on **Lodge & Shipley Co., circle no. 187; on John Burton Machine Corp.,** circle no. 188. □

Efficiency, speed top buyers' needs

(Continued from page 44)
sponding wine producers believe that advanced controls or monitoring systems are not too important. Nearly every beverage firm, however, asserts that greater machine efficiency is very important. Energy efficiency rates a very important nod from only 31% and 30% of juice and wine companies, respectively.

Sixty-one percent of the soft drink makers report that more energy efficiency is a very important requirement to them in purchasing capital equipment; 34% of such companies consider energy efficient equipment "somewhat" important. A great majority of responding brewers regard energy efficiency an asset also. Forty-seven percent of the beer firms say that more energy efficient machinery are very important to them while 35% of the brewers report more energy efficiency is a "somewhat" important consideration in their equipment purchasing plans.

Influential equipment considerations

	Total	Carbonated beverages	Non-carbonated liquid beverages	Powders	Wine	Malt beverages	Bottled water	Juices
Base:	(166)	(78)	(14)	(6)	(18)	(19)	(12)	(19)
Faster Speed								
Very important	43%	46%	21%	50%	30%	75%	44%	23%
Somewhat important	48	43	71	33	60	13	44	77
Not too important	6	8	*	17	10	6	*	*
Not at all important	3	3	7	*	*	6	11	*
Greater flexibility								
Very important	47%	53%	46%	17%	47%	47%	33%	50%
Somewhat important	39	39	38	50	41	41	33	33
Not too important	14	8	16	33	12	12	33	17
Not at all important	*	*	*	*	*	*	*	*
More automatic action								
Very important	38%	35%	36%	50%	40%	33%	44%	38%
Somewhat important	48	51	50	33	30	53	44	54
Not too important	14	14	14	17	30	14	12	8
Not at all important	*	*	*	*	*	*	*	*
Advanced controls or monitoring systems								
Very important	38%	35%	38%	33%	30%	47%	33%	42%
Somewhat important	39	49	31	50	30	41	22	33
Not too important	17	14	15	*	40	12	33	17
Not at all important	6	3	15	17	*	*	11	8
Greater efficiency								
Very important	86%	89%	93%	83%	70%	82%	67%	92%
Somewhat important	11	8	*	17	30	12	23	8
Not too important	3	3	7	*	*	6	10	*
Not at all important	*	*	*	*	*	*	*	*
More energy efficient								
Very important	51%	61%	57%	50%	30%	47%	55%	31%
Somewhat important	36	34	36	17	40	35	34	54
Not too important	10	3	7	33	20	18	11	8
Not at all important	3	2	*	*	10	*	*	7

*Under 5%
Totals may not equal 100 due to rounding
Source: SRCH Statistical Research Center for Beverage Industry

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February 1984

Breakdowns important

Machinery breakdowns are a major concern for wine producers; 40% responded that quality of construction is a major problem for them. But significant machinery problems regarding the quality of a unit's construction was not considered much of a problem by most of the other beverage companies. Meanwhile, 21% of non-carbonated liquid beverage firms said that quality of construction was no problem at all.

Thirty-one percent of malt beverage companies reported that machinery delivery time is a major problem while 67% of the responding wine producers consider delivery time "somewhat" of a problem.

"Inconvenience" is an appropriate word to describe how soft drink companies feel about machinery delivery time. Forty-three percent of the firms responding to the study report that delivery time is "somewhat" of a problem while 35% say that it is "not much" of a problem. But, 19% of the soft drink executives believe that machine delivery time is a major problem.

Insufficient machine speed is a major problem for 33% of powder drink producers, but only 7% of non-carbonated liquid beverage companies consider insufficient machine speed a major problem. Fifty-six percent and 50% of bottled water and carbonated beverage firms consider insufficient machine speed "somewhat" of a problem. Meanwhile, 67% of malt beverage companies consider lack of machine flexibility "somewhat" of a problem.

Thirty-eight percent of brewers feel that the lack of spare parts is a major problem while 31% of the beer producers consider the unavailability of parts to be "somewhat" of a problem. Soft drink executives, meanwhile, apparently do not feel too bothered by the issue. Only 28% of soft drink companies perceive the matter to be a major problem. Thirty-one percent of the responding companies say the lack of spare parts is "somewhat" of a problem or "not much" of a problem at all.

A huge 70% of responding wine producers believe a major problem is the availability of machine spare parts. On the other hand, only 12% of bottled water producers consider availability of spare parts a major problem.

Thirty-six percent of non-carbonated liquid beverage companies believe that (Continued on page 54)

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Aspartame breakdown under study

(Continued from page 1)

Arizona's health department began its testing after a study was submitted alleging that storage of aspartame-sweetened soft drinks in hot temperatures could lead to a dangerous breakdown in the composition of the sweetener, according to published accounts. The study reveals that when aspartame-sweetened soft drinks are stored in temperatures of 86 degrees for "six or seven weeks," reports say, enough methyl alcohol is produced to exceed Environmental Protection Agency requirements.

Searle spokesmen denied that aspartame causes any serious problems. Company officials do not dispute the analysis that aspartame breaks down. But they contend the sweetener is safe. □

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Beverage Processors want a sanitary pump that can be cleaned in place automatically or easily disassembled and cleaned manually. A pump with wetted parts of 316 stainless steel. They want the new Lobe Line Stainless Steel Pump from M-D Pneumatics.

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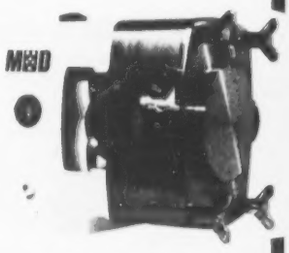

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Feds propose minimum drinking age be 21

(Continued from page 1)

recommendation report, the White House stated that "while we strongly support the recommendation that the states adopt the 21-year limit, we do not think the federal government should impose this requirement."

Florio was "incensed and deeply disappointed by the President's position." He contends that drunk driving is a national issue and "if we are to save lives, then we need this national legislation.

"If uniformity can be attained by means other than direct federal legislation, I will be the first to applaud the result," he said. "In the meantime, we cannot afford to take the chance."

Uniformity essential

The commission agreed that the "lack of uniformity among state laws is especially critical regarding the minimum legal drinking age because an incentive to drink and drive is established due to young persons commuting to border states where the drinking age is lower."

The panel also recommended:

1) Public and private sector education and awareness campaigns;

2) Improved enforcement against drunk drivers, including the elimination of plea bargaining and mandatory legal sanctions for first offenders with more severe penalties for subsequent violation;

3) Improved reporting systems so drunk driving records can be placed in computers of state enforcement and licensing agencies;

4) Adoption of "implied consent" laws in which licensed drivers are deemed to have given consent to urine, blood and breath tests to determine the presence of alcohol or drugs. Refusal to take the tests could lead to license suspension and be considered as evidence of guilt during a DUI (driving under the influence) trial.

USBA President Donald Shea said that while brewers take "no position on any legal drinking age," they do support in principle the overall report which "serves as a good blueprint." □

BI study: Speed, efficiency top buyers' requirements

(Continued from page 51)

energy/power consumption is a major problem. But 67% of powder drink producers consider the category not much of a problem. Thirty percent of wine producers believe that vendor service is a major problem while 10% of winemakers consider vendor service no problem at all.

Cost of machinery appeared to weigh heavily upon the minds of most of the responding beverage producers. Sixty-nine percent of juice makers consider high machinery cost "somewhat" of a problem while 58% of the non-carbonated liquid beverage makers and malt beverage producers believe the same. Sixty-seven percent of the powder drink makers, meanwhile, report that cost of machinery is "not much" of a problem.

The cost of machinery is considered to be "somewhat" of a problem by 50% of the soft drink execs. But 25% of them believe the problem to be grave.

With the passing into the new year, it is evident that many beverage executives perceive the problems of a poor economy to be in the past. With a renewed optimism many beverage firms are now taking full stock of their future projects and realize that the only way to prepare for the future is to spend for it. □

Expected maximum investment return on capital equipment

	Total	Carbonated beverages	Non-carbonated liquid beverages	Powders	Wine	Malt beverages	Bottled water	Juices
Base:	(118)	60	15	(4)	(8)	(14)	(7)	(10)
1 Year	1%	*%	*%	*%	*%	7%	*%	0%
2 Years	38	30	33	50	24	43	56	30
3 Years	36	47	33	50	63	21	*	40
4 Years	10	7	12	*	13	*	15	20
5 Years	12	10	22	*	*	29	15	10
More than 5 years	3	6	0	*	*	*	14	0
Factors affecting return on investment								
Base:	(118)	(61)	(12)	(5)	(8)	(14)	(7)	(11)
Labor Savings	30%	29%	10%	20%	75%	29%	29%	18%
Improved through-put per machine efficiency	27	29	10	[illegible]0	63	29	29	9
Combination of above two	78	74	90	[illegible]0	63	71	57	82
Other	13	16	10	0	13	21	14	18

*Under 5%
Totals may exceed due to multiple responses
Source: SRCH Statistical Research Center for Beverage Industry

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